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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

Federal Communications Commission
Office of Secretary

In the Matter of)	
)	
Telephone Number Portability)	CC Docket No. 95-116
)	
Petition for Forbearance of the)	DA 98-111
Cellular Telecommunications)	
Industry Association)	

REPLY COMMENTS OF GTE SERVICE CORPORATION

GTE Service Corporation and its telephone and wireless companies ("GTE") hereby submit reply comments in response to the above-referenced Petition for Forbearance ("Petition") filed by the Cellular Telephone Industry Association ("CTIA"). In the Petition, CTIA asks the Federal Communications Commission ("FCC" or "Commission") to forbear from enforcing the June 30, 1999 implementation deadline for commercial mobile radio service ("CMRS") service provider number portability, at least until the completion of the five-year build-out period for broadband personal communications services ("PCS") has expired.

While most parties filing comments in this proceeding support the CTIA Petition, five commenters oppose forbearance from enforcing the CMRS service provider number portability requirement. These parties argue, generally, (1) that granting the CTIA Petition will lead to funding or numbering problems; (2) that there have been no new developments since the Commission imposed the CMRS service provider number portability requirement; and (3) that CMRS number portability is essential to

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competition. As discussed below, GTE disagrees with each of these arguments and urges the Commission to expeditiously grant the CTIA Petition.

I. Discussion

A. The Commission Should Not Let Unrelated Concerns Raised by Some Parties Delay or Derail Its Consideration of the CTIA Petition.

In an apparent attempt to delay or derail the Commission's consideration of the CTIA Petition, some parties have alleged that granting the petition will create a host of other problems. First, WorldCom argues that the Petition should be denied because it is an attempt by CMRS providers to avoid implementing and paying for local number portability.¹ Second, WorldCom, Nextel, and PageNet are concerned that granting the CTIA Petition will inhibit implementation or full participation in number pooling. WorldCom and Nextel argue therefore that granting the Petition will perpetuate the telephone number exhaustion problem.² PageNet is concerned that granting CTIA's Petition may result in wireless carriers having to dial 10 digits for local calls.³ GTE addresses each of these concerns below.

1. Funding for Local Number Portability

WorldCom contends that the CTIA Petition represents an attempt by wireless carriers to avoid their obligation under Section 251(b)(2) of the Telecommunications Act of 1996 to implement and share in the costs of local number portability.⁴ This argument

¹ WorldCom Comments at 3-4.

² WorldCom Comments at 7, Nextel Comments at 5.

³ PageNet Comments at 2-3.

⁴ WorldCom Comments at 3.

is both legally and factually incorrect. First, the Telecommunications Act of 1996 does not require CMRS providers to offer number portability. Rather, Section 252(b)(2) requires all local exchange carriers ("LECs") to provide number portability in accordance with requirements established by the Commission. In imposing a number portability requirement on CMRS providers, the FCC noted that the statute excludes CMRS providers from the definition of local exchange carriers. Thus, the Commission relied upon Sections 1, 2, 4(i), and 332 of the Communications Act of 1934 as the basis for its requirement.⁵

Second, WorldCom mistakenly asserts that CMRS providers will somehow avoid implementing or paying for local number portability if the Petition is granted. The CTIA Petition, however, only requests relief from the service provider number portability requirement. Thus, even if the Petition is granted, CMRS providers will be required to deliver calls from their networks to ported numbers by December 31, 1998. To meet this requirement, CMRS providers initially will need to rely on LECs' default query capabilities. As such, regardless of what action the Commission takes on the Petition, CMRS providers will begin paying LECs for delivering calls to ported numbers after December 31, 1998.

2. Number Pooling

WorldCom and Nextel argue that number portability is a precondition to the industry moving forward with initiatives designed to address telephone number

⁵ Telephone Number Portability, *First Report and Order and Further Notice of Proposed Rulemaking*, CC Docket No. 95-116, 11 FCC Rcd 8352, 8431 (¶ 152) (hereinafter "*First Report and Order*").

exhaustion problems. They argue, in particular, that number pooling experiments will be delayed if the implementation of number portability is likewise delayed.⁶

As WorldCom and Nextel recognize, to participate in number pooling carriers must implement number portability. However, contrary to the concerns raised by WorldCom and Nextel, there is no evidence that number pooling will significantly retard number exhaustion. Indeed, a recent study of number pooling in the 847 NPA in Illinois concluded that because there are few recoverable unassigned number blocks in urban centers, number pooling would only retard number exhaustion by three months. Thus, while GTE supports the industry's continued efforts to find more efficient means of administering telephone numbers, these initiatives, until proven effective and reliable, should not constitute a reason to enforce the CMRS number portability requirement. In any event, numbering concerns do not justify adherence to a requirement that is not necessary to promote wireless competition and will divert precious resources away from measures that will affect CMRS carriers' ability to compete.

PageNet's concerns are somewhat different. Although PageNet takes no position on the CTIA Petition, it is concerned that if wireless carriers do not implement wireless number portability, they will be unable to participate in number pooling. As a result, PageNet is concerned that wireless carriers will lose out on the benefits of number pooling – such as 7-digit local dialing – and will not be able to effectively compete with wireline carriers that offer 7-digit dialing.⁷

⁶ Nextel Comments at 5, WorldCom Comments at 7.

⁷ PageNet Comments at 2-3.

PageNet's concerns are unfounded. First, there is no link between participation in number pooling and the ability to offer 7-digit dialing for local phone calls. Second, even if number pooling would facilitate 7-digit dialing, other forces are causing the telecommunications industry to rapidly move to an environment where customers must dial 10-digit numbers for wireline and wireless calls.⁸ Indeed, in many urban areas, 10-digit dialing is already required. Thus, even if number portability and number pooling are proven effective in delaying telephone number exhaustion, neither will alleviate entirely the need to implement 10-digit dialing. As such, PageNet's concern that wireline and wireless carriers will have different dialing requirements if wireless carriers do not participate in number pooling is baseless.

B. Contrary to MCI's Assertions, Much Has Changed Since the Commission Ordered CMRS Service Provider Number Portability.

MCI contends that the CTIA Petition should be rejected on procedural grounds. It contends that CTIA's primary argument in support of its Petition is that the existence of competition in the CMRS marketplace diminishes the need for CMRS number portability. It argues, however, that those conditions have not significantly changed from the time the Commission adopted the CMRS service provider number portability requirement. Accordingly, it characterizes the CTIA Petition as a petition for reconsideration that is out of time.⁹ GTE disagrees.

⁸ For example, where an area code overlay is implemented, customers must dial 10 digits for local calls.

⁹ MCI Comments at 2-4.

As an initial matter, CTIA has asked for forbearance of an FCC requirement pursuant to Section 10 of the Communications Act, not reconsideration of an FCC order. Section 10 does not include an analysis of whether conditions have changed among the three step inquiry the Commission must make in evaluating requests for forbearance of an FCC requirement. As such, MCI's comments with respect to changed conditions are entirely irrelevant.

In any event, much has changed since the FCC adopted the CMRS service provider number portability requirement. The wireless number portability requirements were adopted in large part due to the arguments made by new entrants that number portability would significantly enhance their ability to compete with incumbent service providers.¹⁰ Since the *First Report and Order*, however, broadband PCS licensees have begun to build their networks, enter the CMRS marketplace, and compete with other broadband CMRS providers. Upon entering the market, these entities have discovered that the implementation costs for wireless number portability are huge.¹¹ Such carriers have also been able to determine that the lack of number portability does not affect their ability to compete in the market and that their precious capital resources would be better spent on network build-out and customer advertising campaigns.¹² Contrary then to MCI's contentions, given the change of position by broadband PCS

¹⁰ *First Report and Order* at 8426-8427, 8434.

¹¹ Indeed, Sprint PCS argues that based on BOC proposed query service tariffs, the first phase of wireless number portability implementation (requiring that CMRS be able to deliver calls to numbers that have been ported between wireline carriers) may cost a PCS provider like Sprint PCS close to \$100,000,000 by the year 2001.

¹² See also, Bell Atlantic Mobile ("BAM") Comments at 9-10.

providers based on their market experiences, a re-evaluation of the CMRS service provider number portability requirement is appropriate.

C. CMRS Service Provider Number Portability Is Not Essential to CMRS Competition.

Nextel, the Telecommunications Resellers Association ("TRA"), and MCI argue that the Petition should be rejected because CMRS service provider number portability is essential to the development of competition. The only support any of these carriers offer for their position is that the Commission concluded in 1996 that the lack of number portability is a barrier to competition and that removing this barrier will facilitate competition among carriers.¹³

GTE does not agree with the Commission's initial decision to implement a service provider number portability requirement for CMRS providers. Like BAM, GTE believes that the Commission based its imposition of the wireless number portability requirements on findings as to the benefits of number portability for landline competition.¹⁴ The same arguments, however, do not apply to the wireless industry.

Unlike wireline customers, wireless customers do not typically publish their phone numbers in any way. As a result, there is typically no cost incurred by wireless

¹³ Nextel Comments at 3, 5; TRA Comments at 4, 6, 7, 11; MCI Comments at 3, 7, 8.

¹⁴ BAM Comments at 9.

customers to change phone numbers.¹⁵ Indeed, the high rate of churn among CMRS customers is proof that wireless customers are not restricted by the inability to port numbers.¹⁶

That being the case, the only possible basis for the Commission's conclusion in 1996 that number portability was essential to CMRS competition was the Commission's prediction that number portability would benefit new broadband CMRS entrants. Since that time, however, the Commission has been proven wrong. As BAM indicates, "PCS carriers and other new entrants are entering new geographic markets and building market share – all without number portability."¹⁷ Moreover, SBMS provides numerous public statements regarding how successful both PCS and covered SMR providers have been in the marketplace, and how this new entry has led to increased CMRS competition and reduced prices.¹⁸ Indeed, BAM points out that the biggest obstacle most wireless customers face today in changing service providers from cellular to PCS or SMR is that they have to purchase a new phone.¹⁹

¹⁵ Conversely, there may be a cost to customers that change wireless carriers and port their telephone numbers. Based on today's standards, a request to change carriers without changing telephone numbers will take carriers approximately three days to provision. By comparison, a wireless customer that wishes to switch carriers without porting the telephone number can have the new service provisioned in most cases in a matter of minutes.

¹⁶ Southwestern Bell Mobile Systems and Pacific Bell Mobile Services ("SBMS") states that the churn rate in the wireless industry is as high as 3 to 4 percent per month, significantly higher than in other industries. SBMS Comments at 5.

¹⁷ *Id.* at 10 (emphasis in original).

¹⁸ SBMS Comments at 3-5

¹⁹ BAM Comments at 15.

This evidence, coupled with the revelation by most broadband PCS providers that other uses of their capital resources will yield far more competitive benefits than would number portability, completely undermines the only basis the Commission had for imposing the CMRS service provider number portability requirement. As such, the Commission should conclude that CMRS service provider number portability will not improve CMRS competition and that continued enforcement of this requirement is not in the public interest.

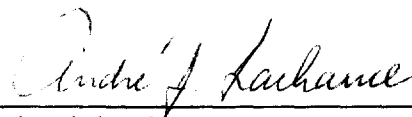
II. Conclusion

GTE supports CTIA's petition seeking forbearance from enforcing the CMRS service provider number portability requirement. Contrary to the arguments of a few parties, granting the CTIA Petition will not undermine Commission efforts to fund local number portability, will not exacerbate other numbering concerns, and will improve rather than diminish CMRS competition.

Respectfully submitted,

GTE Service Corporation and its telephone
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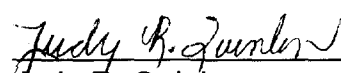
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March 10, 1998

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Certificate of Service

I, Judy R. Quinlan, hereby certify that copies of the foregoing "Reply Comments of GTE Service Corporation" have been mailed by first class United States mail, postage prepaid, on March 10, 1998 to all parties of record.



Judy R. Quinlan